

# State of South Dakota

EIGHTY-EIGHTH SESSION  
LEGISLATIVE ASSEMBLY, 2013

400U0205

## HOUSE BILL NO. 1043

Introduced by: The Committee on Transportation at the request of the Department of  
Revenue

1 FOR AN ACT ENTITLED, An Act to authorize the Department of Revenue to establish an  
2 electronic title system for motor vehicles and to revise certain provisions regarding an  
3 electronic lien filing system.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

5 Section 1. That chapter 32-3 be amended by adding thereto a NEW SECTION to read as  
6 follows:

7 The department may establish an electronic title system for motor vehicles, as the term,  
8 motor vehicle, is defined in § 32-3-1. Any participant in the electronic title system shall submit  
9 electronic applications for original vehicle titles in a form and format prescribed by the  
10 department. A participant shall provide all documentation or information required by the  
11 department to process the electronic title application, including the electronic manufacturer's  
12 statement of origin. The department shall verify the authenticity of the electronic information  
13 before the electronic title is issued.

14 Section 2. That § 32-3-44 be amended to read as follows:

15 32-3-44. If a lien is discharged, the ~~lien holder~~ lienholder shall execute a release within



1 twenty days after final payment is received, ~~the~~. The release shall contain the vehicle  
2 identification number or the certificate of title number, and the ~~date of the notation~~ owner's  
3 name. The ~~lien holder~~ lienholder shall deliver the release (and certificate of title if held by ~~him~~  
4 the lienholder) to any county treasurer. The treasurer shall note the cancellation of the lien on  
5 the face of the certificate of title and on the same day shall notify the secretary. The secretary  
6 shall cancel the lien on the state's computer system, if the county treasurer has not done so. If  
7 the certificate of title is lost as set forth in § 32-3-29, application for duplicate title may be  
8 forwarded along with the release to the department. The department shall cancel the lien. For  
9 failure to comply with these provisions relating to releasing a lien, the ~~lien holder shall be~~  
10 lienholder is liable to the owner for all damages sustained by the owner. The county treasurer  
11 shall mail or deliver the certificate of title to the owner, or as otherwise directed by the owner.  
12 Upon the satisfaction of a security interest in a motor vehicle, trailer, or semitrailer for which  
13 the certificate of title is in the possession of the owner, the secured party shall within twenty  
14 days after final payment is received, execute a release of security interest on the form prescribed  
15 by the department and mail or deliver such release to the owner or as otherwise directed by the  
16 owner.

17 Section 3. That § 32-3-70 be amended to read as follows:

18 32-3-70. Notwithstanding any other provision of this title, the department may provide for  
19 an electronic ~~certificate of title~~ lien filing system. If ~~the application for title or the title has a lien~~  
20 ~~noted~~ a lien has been noted electronically in the electronic lien filing system, no paper title may  
21 be issued to the owner of record or the lienholder. A paper title shall be issued under the  
22 following circumstances:

23 (1) The lien has been satisfied and the owner requests a title; or

24 (2) The owner is relocating to another state and the lienholder authorizes the issuance of

1           a title with the lien noted.

2           A lien shall be noted or cancelled ~~on-line~~ electronically if an electronic certificate of title  
3 exists and the lienholder ~~has access to the electronic title file system pursuant to § 32-3-38.1~~ is  
4 participating in the electronic lien filing system. A lien noted ~~on-line~~ electronically is considered  
5 perfected as if a paper title were issued and a lien noted on it pursuant to § 32-3-41. A lienholder  
6 is liable for noting or canceling a lien in error.